



Energy Solutions

State of Michigan Energy Performance Contracting



January 17, 2012

Ken Hedrick - Business Development Manager



Agenda

- Chevron Energy Solutions (Chevron ES) Overview
- Performance Contracting Process
- Kinross Correctional Project Value
- Kinross Correctional Project Scope



Chevron ES Overview

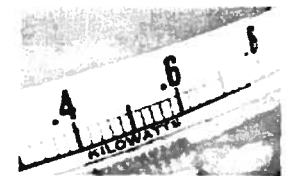


Human Energy



Chevron ES Overview

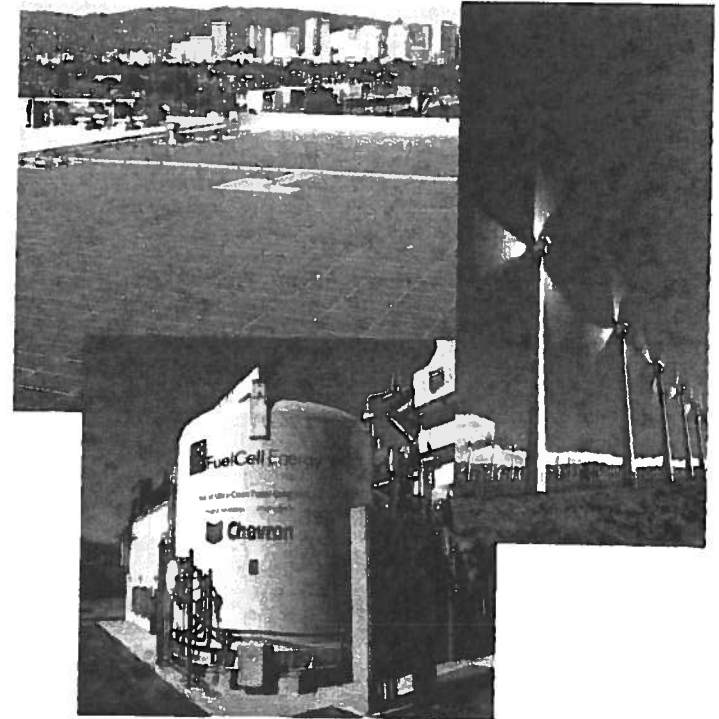
- Chevron ES is an integral part of Chevron Corporation a Fortune Three company
- We provide turn-key environmentally sound projects with guaranteed savings backed by Chevron
- Over 300 energy professionals dedicated to performance contracting and located in over two dozen offices nationwide
- We develop, design and construct facility projects that increase energy efficiency, reduce carbon footprint, reduce energy costs and improve operations
- We are NAESCO accredited, DoE , DoD and State of Michigan approved ESCO





Chevron ES Overview

- We are a growing engineering-based company that has implemented over \$2 Billion in Energy Projects
- We have hundreds of projects in various stages of development with a typical size of \$3-7 Million (*Largest project to date - \$100 MM at Fort Detrick, Maryland which has just added on another \$57.4 MM project*)
- Our project bundles focus on providing proven technologies, including renewable power solutions (*geothermal, solar, wind, fuel cells*), energy management and building infrastructure systems



Chevron ES Overview

Our Michigan Experience



■ Local Projects include:

- 144 Post Offices Throughout Southeastern Michigan
- State of Michigan Capitol Complex
- Oakland University, Phases 1 & 2
- Eastern Michigan University
- Walled Lake Schools
- Kettering University
- Ferris State University
- City of Farmington Hills
- Washtenaw County
- Hastings School District
- Oxford School District



Performance Contracting Process



Human Energy



What Is Performance Contracting?

Performance contracting is a method for a building owner to make **capital improvements** to facilities, **finance** all associated cost, and have a **guarantee** for the **annual utility and operational savings**.

*This is an innovative procurement solution
for funding building improvements from
existing budgets without using tax dollars.*

State of Michigan Performance Contracting Process



- In 2010 the State of Michigan, Department of Corrections released a Request for Proposal for Energy Performance Contracting at three DOC facilities
- Through the bid process Chevron ES was awarded the Energy Performance Contract for Kinross Correctional Facility
- Our evaluation of the facilities for energy conservation uncovered many opportunities for the State to reduce operating cost while improving energy efficiency and reducing carbon footprint



Kinross Project Scope

Project scope included the implementation of the following Energy Conservation Measures (ECM's):

- Lighting
- Water conservation
- Decentralized steam plant
- Building automation



Kinross Project Value

- Project Value = \$3,212,703
- Term of the Project = 10 years
- Guaranteed annual energy savings = \$233,123
- During the construction phase (*past 8 months*) the State has already realized energy savings of **\$90,817** for this facility.



Thank You!

Chevron Energy Solutions